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CURRENT SUPPORT MEMORANDUM

YUGOSLAVIA MAY SUPPLY HIGH CAPACITY TELECOMMUNICATIONS CABLE TO THE USSR

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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YUGOSLAVIA MAY SUPPLY HIGH CAPACITY TELECOMMUNICATIONS CABLE TO THE USSR

Yugoslavia is interested in obtaining the necessary equipment and production knowledge for the manufacture of the latest types of long distance, high capacity coaxial and multiconductor telecommunications cable and carrier frequency equipment. This interest was revealed by a recent unsuccessful attempt made by Yugoslavia to obtain these items from a British firm. Further attempts may be made to acquire the items from West Germany, Sweden, or the US.

It does not appear that Yugoslavia has any domestic need for substantial quantities of coaxial or multiconductor cable, by virtue of the recent installation of a microwave radio relay network between the major cities of that country. 2/ Microwave relay lines and coaxial and multiconductor cable are interchangeable in most instances.

There is only one telecommunications cable factory in Yugoslavia at the present time, and it produces only low capacity telecommunications cable. This factory had a gross product of US \$3.5 million in 1956, of which about 70 percent was exported. 3/ It is believed that a substantial portion of these exports went to the USSR. In a recently concluded agreement with the USSR, Yugoslavia is to export US \$8.5 million worth of telecommunications cable. 4/ This agreement indicates that the primary stimulant for the expansion of Yugoslav telecommunications cable manufacturing facilities is probably coming from the USSR.

Recent plans of the USSR indicate a requirement for large amounts of long distance, high capacity, telecommunications cable and microwave radio relay equipment with major emphasis on the latter type. 5/ Although the USSR has the domestic electronic manufacturing capability to develop and produce such equipment, there are indications that this capability is substantially occupied with the production of electronic equipment for higher priority projects such as guided missiles. 6/ The apparent inability to produce adequate quantities of this equipment may be forcing the USSR to seek other sources of supply as well as to substitute greater quantities of telecommunications cable for microwave radio relay equipment. Imports from the bloc countries have been limited by bloc internal difficulties and needs, and attempts to acquire the equipment from Western sources have been unsuccessful because of COCOM restrictions on exports to the USSR. Thus, the desire of Yugoslavia to improve its cable manufacturing capability may be a reflection of the need of the USSR for long distance, high capacity telecommunications equipment.

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Analysts:



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